

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name North Star Academy	County Marquette
Audit Date 6/30/04	Opinion Date 9/19/04	Date Accountant Report Submitted to State: 11/11/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

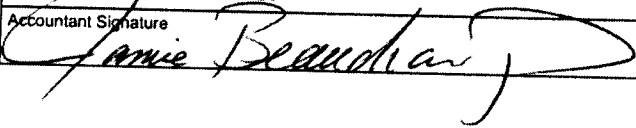
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) MAKELA, TOUTANT, HILL, & NARDI, PC			
Street Address 201 W. BLUFF STREET		City MARQUETTE	State MI
Accountant Signature 		ZIP 49855	Date 11/11/04

Audited Basic Financial Statements
Required Supplementary Information
And Other Financial Information

NORTH STAR ACADEMY

June 30, 2004

Audited Basic Financial Statements
Required Supplementary Information
And Other Financial Information

NORTH STAR ACADEMY

June 30, 2004

Audited Financial Statements	
Management's Discussion and Analysis.....	1
Report of Independent Auditors	8
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	10
Statement of Activities	11
Fund Financial Statements:	
Balance Sheet--Governmental Funds.....	12
Reconciliation of Governmental Fund Balance Sheet to the Statement of Net Assets	13
Statement of Revenues, Expenditures, and Changes In Fund Balance--Governmental Funds.....	14
Reconciliation of the Statement of Revenues, Expenditures, And Changes in Fund Balances of Governmental Funds To the Statement of Activities	15
Notes to Financial Statements	16
Required Supplementary Information:	
Statement of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual--General Fund.....	27
Statement of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual--Special Revenue--Food Service Fund	28
Other Financial Information:	
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	29

North Star Academy Management Discussion and Analysis For the Fiscal Year Ended June 30, 2004

North Star Academy is a Charter School Academy located in Ishpeming, Michigan. North Star Academy's Management Discussion and Analysis is intended to assist the reader in focusing on significant financial issues, provide an overview of the Academy's financial activity, and identify changes in the Academy's financial position and its ability to address future operations. It also identifies any material deviations from the financial plan and identifies individual fund issues or concerns. This is a requirement of the Governmental Accounting Standards Board Statement No. 34 (GASB 34) "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*" and is intended to provide the financial results for the fiscal year ending June 30, 2004.

FINANCIAL HIGHLIGHTS

- North Star Academy's net assets were reported for the first time under GASB 34. As such, no comparison with prior years will be made. In future years, comparative information will be presented in various schedules throughout the MD&A. Net Assets for North Star Academy as a whole were reported at \$125,056
- For the year ended June 30, 2004, North Star Academy's expenses were \$549,835. Revenues from all sources totaled \$572,246, resulting in an increase in net assets of \$22,411.
- The general fund reported an increase of \$25,102 before other financing sources (uses). This is \$11,823 or 89% higher than the budgeted increase of \$13,279. This was a result of revenues being \$14,281 lower and expenses being \$26,104 lower than the budgeted amounts.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand North Star Academy financially as a whole. The *Government-wide Financial Statement's* Statement of Net Assets and the Statement of Activities provide information about the activities of the Academy as a whole and present a longer-term view of those finances. The fund financial statements present the next level of detail. For governmental activities, these statements tell how those services were financed in the short term as well as what remains for future operations. The fund financial statements also report the Academy's operations in more detail than the government-wide statements by providing information about the Academy's most significant funds – the General Fund and the Food Service Fund.

Reporting the Academy as a Whole – *Government-Wide Financial Statements*

The Government-wide statements are new and provide a perspective of the Academy as a whole. These statements use the full accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenditures are taken into account regardless of when cash is received or paid.

These two statements report the Academy's net assets and changes to those net assets. The Academy's net assets – the difference between assets and liabilities – is one way to measure the Academy's financial health, or financial position. Over time, increases or decreases in the Academy's net assets – as reported in the Statement of Activities – are indicators of whether its

**North Star Academy
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2004**

financial health is improving or deteriorating. The relationship between revenues and expenditures is the Academy's operating results. However, the Academy's goal is to provide services to the students, not to generate profits as private-sector companies do. One must consider other non-financial factors, such as the quality of education provided, the safety of the Academy and the condition of the Academy's capital assets, to assess the overall financial health of the Academy.

The Statement of Net Assets and the Statement of Activities report the governmental activities for the Academy, which encompass all the Academy's services, including instruction, supporting services, community services, and food services. Unrestricted State Aid (foundation allowance revenue), and State and Federal grants finance most of these activities.

Reporting the Academy's Most Significant Funds – *Fund Financial Statements*

The fund financial statements are reported using the modified accrual basis of accounting. Under this method, financial assets are recorded they are "measurable" and "available". Expenditures are accounted for in the period those goods and services are used in school programs. In addition, capital assets purchased are recorded as capital outlay expenditures and not recorded as an asset. Debt payments are recorded as expenditures in the current year and future debt obligations are not recorded.

Governmental Fund Types

General Fund: The General Fund is the general operating fund and, is used primarily to account for the educational requirements of the Academy.

School Service Fund: The School Service Fund is comprised of Food Service.

**North Star Academy
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2004**

The Academy as a Whole

Table 1 provides a summary of the Academy's Net Assets as of June 30, 2004

**Table 1
Net Assets**

	Governmental Activities
Current and Other Assets	\$321,017
Other Non-Current Assets	0
Capital Assets, Net	0
Total Assets	<u>321,017</u>
Current Liabilities	195,961
Long-Term Liabilities	0
Total Liabilities	<u>195,961</u>
Net Assets:	
Invested in capital assets, net of related debt	0
Restricted	82,000
Unrestricted	43,056
Total Net Assets	<u><u>\$125,056</u></u>

The Academy's net assets were \$125,056 at June 30, 2004. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the Academy's ability to use those assets for day-to-day operations. The remaining amount of net assets of \$43,056 was unrestricted.

The \$43,056 in unrestricted net assets of governmental activities represents the accumulated results of all past years' operations. The operating results of the General Fund will have a significant impact on the change in unrestricted net assets from year to year.

The results of this year's operations for the Academy as a whole are reported in the Statement of Activities (See Table 2), which shows the changes in net assets for fiscal year 2004. Since this is the first year the Academy has prepared financial statements following GASB Statement No. 34, revenue and expenditure comparison to fiscal year 2003 is not available.

**North Star Academy
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2004**

**Table 2
Changes in Net Assets**

	<u>Governmental Activities</u>
Revenues	
Program Revenues:	
Charges for Services	\$3,088
Operating grants and contributions	119,546
General Revenues:	
State sources not restricted to specific program	430,339
Investments earnings	506
Local	18,767
Total Revenues	<u>572,246</u>
 Program Expenses:	
Instruction	232,042
Supporting services	298,839
Community services	1,753
Food service activities	10,674
Facility acquisition and other transactions	6,527
Total Expenses	<u>549,835</u>
Increase (decrease) in net assets	22,411
Net assets, beginning	<u>102,645</u>
Net Assets, Ending	<u>\$125,056</u>

As reported in the Statement of Activities the cost of all our governmental activities this year was \$549,835. Certain activities were partially funded from those who benefited from the programs (\$3,088) or by other governmental organizations that subsidized certain programs with grants (\$119,546). North Star Academy paid for the remaining "public benefit" portion of our governmental activities with \$430,339 in State Foundation Allowance and with other miscellaneous revenues.

The Academy experienced an increase in net assets for the year of \$22,411 due to cost control measures.

Table 3 presents the cost of each of the Academy's largest activities as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that each function placed on the Academy's operation.

**North Star Academy
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2004**

**Table 3
Governmental Activities**

	Total Cost of Services	Net Cost of Services
Instruction	\$232,042	\$118,891
Supporting Services	298,839	297,339
Community Services	1,753	1,753
Food Service Activities	10,674	2,691
Facility Acquisition and Other Trans	6,527	6,527
Totals	<u>\$549,835</u>	<u>\$427,201</u>

The net cost shows the financial burden that was placed on the State by each of these functions. Since unrestricted State aid constitutes 76% of the Academy's operating revenue sources, the Board of Education and Administration must annually evaluate the needs of the Academy and balance those needs with the State-prescribed available financial resources.

General Fund Budgetary Highlights

Over the course of the year, the Academy's Board revises its budget as it attempts to deal with changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule showing the Academy's original and final budget amounts compared with amounts actually paid and received is provided in required supplemental information of these financial statements.

BUDGETED REVENUES:

General Fund Revenues changed from Original to Final Budget during the year as follows:

	Original Budget	Final Budget	Budget Variance	
			Amount	Percent
Total	<u>\$ 519,402</u>	<u>\$ 578,544</u>	<u>\$ 59,142</u>	<u>11.4%</u>

North Star Academy's final budgeted revenues differed from the original budget as follows:

- Increased by \$59,142 or 11.4%

The significant increase in the budgeted revenue can be attributed mainly to USF revenue (\$26,162) and State Aid. The USF revenue was not budgeted for in the original budget. Over the course of the year State Aid revenues were adjusted based on additional information, such as student counts, obtained during the course of the year.

**North Star Academy
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2004**

BUDGETED EXPENDITURES

General Fund Expenditures changed from the Original to Final budget during the year as follows:

	Original Budget	Final Budget	Budget Variance	
			Amount	Percent
Total	\$ 489,462	\$ 565,265	\$ 75,803	15.5%

North Star Academy's final budgeted expenditures differed from the original budget as follows:

- Increased by \$75,803 or 15.5%

The significant increase in the budgeted expenditures can be attributed to the Academy more accurately budgeting the Academy's actual expenditures for the year. One of the contributing factors was that the USF communication expenditures (\$26,162) were omitted in the original budget. Another contributing factor were grant budgets. Grant budgets are put on as grants are awarded during the course of the year.

ACTUAL REVENUES:

The General Fund Actual Revenues differed from the Final Budget as follows:

	Actual	Final Budget	Variance	
			Amount	Percent
Total	\$ 564,263	\$ 578,544	\$ (14,281)	(2.5%)

North Star Academy's final budgeted revenues differed from the actual revenues as follows:

- Decreased by \$14,281 or 2.5% less than the final budget.

The significant variance in revenue can be attributed mainly to Local Sources (\$10,864). This was due to actual USF reimbursement being less than anticipated.

ACTUAL EXPENDITURES

General Fund Actual Expenditures differed from the Final budget as follows:

	Actual	Final Budget	Variance	
			Amount	Percent
Total	\$ 539,161	\$ 565,265	\$ (26,104)	(4.8%)

**North Star Academy
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2004**

North Star Academy's final budgeted expenditures differed from the actual revenues as follows:

- Decreased by \$26,104 or 4.8% less than the final budget.

The significant variance in expenditures can be attributed mainly to USF expenditures budgeted but not incurred during the course of the year (\$14,056).

Capital Assets and Debt Administration

Capital Assets

Under the new GASB 34 requirement, North Star Academy has established a capital assets threshold of \$5,000. As of June 30, 2004, the Academy has only one asset that was purchased that was greater than \$5,000. This asset is fully depreciated. For further information, refer to Note C of the financial statements.

Debt

At the end of this year, the Academy had a \$140,000 state anticipation note that was repaid on August 20, 2004. A new note of \$135,000 was issued and matures in August 2005. See Note E to the financial statements.

Economic Factors and Next Year's Budgets

The Academy's elected officials and administration considered many factors when setting the Academy's fiscal year 2005 budget. One of the most important factors affecting the budget is the student count. The state foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The 2005 fiscal year budget was adopted in June 2004, based on an estimated student count for fiscal year 2004-2005. State Aid represents 82 percent of the total General Fund revenues. Based on early enrollment data at the start of the 2004-2005 school year, we anticipate that the fall student count will be close to the estimates used in creating the 2005 fiscal budget. Once the final student count and related per pupil funding is validated, State law requires the Academy to amend the budget, if actual government resources are not sufficient to fund original appropriations.

The State budget continues to be an area of concern. State revenues are falling short of projections, which could mean reduced funding at the local level.

Contacting the Academy's Financial Management

This financial report is designated to provide the citizens, taxpayers, customers, and investors and creditors with a general overview of the Academy's finances and to demonstrate the Academy's accountability for the money it receives. If you have questions about this report or need additional financial information, contact North Star Academy, 335 S. Pine Street, P.O. Box 577 Ishpeming, Michigan 49849.



MAKELA, TOUTANT, HILL & NARDI, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

201 West Bluff Street
Marquette, Michigan 49855

Members
American Institute of CPAs
Michigan Association of CPAs

REPORT OF INDEPENDENT AUDITORS

Board of Education
North Star Academy
Ishpeming, Michigan

We have audited the accompanying financial statements of the governmental activities and each major fund of North Star Academy, (Academy), as of and for the year ended June 30, 2004, which collectively comprise the Academy's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Academy's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of North Star Academy, as of June 30, 2004, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note A, the Academy has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments*, as of June 30, 2004.

The management's discussion and analysis and budgetary comparison information on pages 27 and 28, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



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Board of Education
North Star Academy

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2004, on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise North Star Academy's basic financial statements. The individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Matela, Tautant, Hill & Naudi, P.C.

September 19, 2004

STATEMENT OF NET ASSETS

NORTH STAR ACADEMY

June 30, 2004

	Governmental Activities
	<hr/>
CURRENT ASSETS	
Cash and cash equivalents	\$ 16,811
Investments	82,137
Receivables:	
Due from other governmental units	128,177
Other	1,638
Prepaid expenses	10,254
Deposit in escrow	82,000
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TOTAL CURRENT ASSETS	321,017
 NONCURRENT ASSETS	
Capital assets	6,447
Less: accumulated depreciation	(6,447)
	<hr/>
TOTAL NONCURRENT ASSETS	0
	<hr/>
TOTAL ASSETS	321,017
	<hr/>
CURRENT LIABILITIES	
Accounts payable	19,677
Employee compensation and related liabilities	27,643
State anticipation note	140,000
Accrued interest	3,141
Deferred revenue	5,500
	<hr/>
TOTAL CURRENT LIABILITIES	195,961
	<hr/>
TOTAL LIABILITIES	195,961
	<hr/>
NET ASSETS	
Restricted	
Escrow account--land purchase	82,000
Unrestricted	43,056
	<hr/>
TOTAL NET ASSETS	\$ 125,056
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See notes to financial statements.

STATEMENT OF ACTIVITIES

NORTH STAR ACADEMY

Year Ended June 30, 2004

		Program Revenues		Governmental
				Activities
	Expenses	Charges for	Operating	Net (Expense)
		Services	Grants and	Revenue and
			Contributions	Changes in
				Net Assets
FUNCTIONS/PROGRAMS:				
Governmental Activities:				
Instruction and instructional support	\$ 232,042	\$ 2,385	\$ 110,766	\$ (118,891)
Support services	298,839	500	1,000	(297,339)
Food services	10,674	203	7,780	(2,691)
Community service direction	1,753			(1,753)
Facilities acquisition and other transactions	6,527			(6,527)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 549,835</u>	<u>\$ 3,088</u>	<u>\$ 119,546</u>	(427,201)
GENERAL REVENUES:				
Local revenue, unrestricted				18,767
State of Michigan aid, unrestricted				430,339
Interest and investment earnings				506
TOTAL GENERAL REVENUES				<u>449,612</u>
CHANGE IN NET ASSETS				22,411
Net assets at beginning of year, as restated				<u>102,645</u>
NET ASSETS AT END OF YEAR				<u>\$ 125,056</u>

See notes to financial statements.

BALANCE SHEET--GOVERNMENTAL FUNDS

NORTH STAR ACADEMY

June 30, 2004

	General Fund	Special Revenue Food Service Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 16,729	\$ 82	\$ 16,811
Investments	82,137		82,137
Due from other governmental units	128,177		128,177
Other receivables	1,638		1,638
Prepaid expense	10,254		10,254
Deposit in escrow	82,000		82,000
TOTAL ASSETS	\$ 320,935	\$ 82	\$ 321,017
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 19,595	\$ 82	\$ 19,677
Accrued salaries and withholdings	27,643		27,643
State anticipation note	140,000		140,000
Accrued interest	3,141		3,141
Deferred revenue	5,500		5,500
TOTAL LIABILITIES	195,879	82	195,961
FUND BALANCES			
Reserved for:			
Purchase of land	82,000		82,000
Unreserved	43,056		43,056
TOTAL FUND BALANCES	125,056	0	125,056
TOTAL LIABILITIES AND FUND BALANCES	\$ 320,935	\$ 82	\$ 321,017

See notes to financial statements.

RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET ASSETS

NORTH STAR ACADEMY

June 30, 2004

Total fund balance--governmental funds	\$ 125,056
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Amounts reported for governmental activities in the Statement
of Net Assets are different because:

Capital assets used in governmental activities are not financial
resources and therefore are not reported as assets in
governmental funds. Capital assets at end of year consist of:

Cost of capital assets	\$ 6,447	
Accumulated depreciation	<u>(6,447)</u>	<u>0</u>

TOTAL NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 125,056</u>
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See notes to financial statements.

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES--GOVERNMENTAL FUNDS

NORTH STAR ACADEMY

Year Ended June 30, 2004

	General Fund	Special Revenue Food Service Fund	Total Governmental Funds
REVENUES			
Local sources	\$ 24,142	\$ 203	\$ 24,345
State sources	464,009	328	464,337
Federal sources	54,645	7,452	62,097
Interest on investments	506		506
Miscellaneous	20,961		20,961
TOTAL REVENUES	564,263	7,983	572,246
EXPENDITURES			
Current:			
Instruction and instructional support services	232,042		232,042
Supporting services	298,839		298,839
Community services	1,753		1,753
Facilities acquisition and other transactions	6,527		6,527
Food service		10,674	10,674
TOTAL EXPENDITURES	539,161	10,674	549,835
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	25,102	(2,691)	22,411
OTHER FINANCING SOURCES (USES)			
Operating transfers in		2,691	2,691
Operating transfers out	(2,691)		(2,691)
TOTAL OTHER FINANCING SOURCES (USES)	(2,691)	2,691	0
NET CHANGE IN FUND BALANCES	22,411	0	22,411
Fund balance at beginning of year, as previously reported	20,645		20,645
Restatement--See Note M	82,000		82,000
Fund balances at beginning of year (as restated)	102,645	0	102,645
FUND BALANCES AT END OF YEAR	\$ 125,056	\$ 0	\$ 125,056

See notes to financial statements.

RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

NORTH STAR ACADEMY

Year Ended June 30, 2004

Net change in fund balances--governmental funds	\$ 22,411
Amounts reported for governmental activities in the Statement of Activities are different because:	<u>0</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 22,411</u></u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

NORTH STAR ACADEMY

June 30, 2004

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of North Star Academy (Academy) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local units of government through its pronouncements. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, that do not conflict with or contradict GASB pronouncements. The more significant policies established in GAAP and used by the Academy are discussed below:

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments*. Some of the significant changes in the Statement include the following:

- For the first time the financial statements include:
 1. A management's discussion and analysis (MD&A) section, which provides an analysis of the Academy's overall financial position and results of operations; and
 2. Financial statements prepared using full accrual accounting for all of the Academy's activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The Academy has elected to implement the provisions of the Statement in the current year.

Reporting Entity

The Academy was chartered by Northern Michigan University to provide middle school and secondary education for students living in Marquette County. A five-member Board of Education appointed by Northern Michigan University has control of all operations of the Academy.

In evaluating how to define the Academy for financial reporting purposes, management has considered all potential component units. The decision not to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to

NOTES TO FINANCIAL STATEMENTS--Continued

NORTH STAR ACADEMY

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibilities include, but are not limited to, the selection of governing authority, the designation of management; the ability to significantly influence operations; and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the Academy and/or its constituents, or whether the activity is conducted within the geographic boundaries of the Academy and is generally available to its constituents. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Academy is able to exercise oversight responsibilities.

Based upon the application of the criteria described above, the financial statements of the North Star Academy contain all the funds controlled by the Academy's Board of Education as no other entity meets the criteria to be considered a component unit of the Academy nor is the Academy a component unit of another entity.

Basic Financial Statements--Government-Wide Financial Statements

The Academy's basic financial statements include both government-wide and fund financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Academy's instruction, support, and community services are classified as governmental activities. The Academy does not have any business-type activities.

In the government-wide Statement of Net Assets, the governmental activities column is presented on a consolidated basis, and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Academy's net assets are reported as either invested in capital assets, net of related debt, restricted, or unrestricted.

The government-wide Statement of Activities reports both the gross and net cost of each of the Academy's functions. General government revenues (property taxes, state aid, etc.) support the functions. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants directly associated with the function.

The government-wide focus emphasizes the sustainability of the Academy as an entity and the change in the Academy's net assets resulting from the current year's activities.

NOTES TO FINANCIAL STATEMENTS--Continued

NORTH STAR ACADEMY

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Basic Financial Statements--Fund Financial Statements

The financial transactions of the Academy are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The following fund types are utilized by the Academy:

Governmental Funds: The focus of the governmental funds' measurement is upon the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Academy:

General Fund: The General Fund is the primary operating fund and, accordingly, it is used to account for all financial resources except those accounted for in another fund.

Special Revenue Funds: The Special Revenue Fund is used to account for financial resources that provide hot lunch services.

The emphasis in fund financial statements is on the major funds. Non-major funds by category are summarized into a single column for presentation. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the government combined) for the determination of major funds.

Basis of Accounting

The basis of accounting refers to the point at which revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Government activities in government-wide financial statements, and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; that is, when both measurable and available. "Available" means collectible within the current period or within sixty days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred, except for principal and interest on general obligation debt, if any, is recognized when due.

NOTES TO FINANCIAL STATEMENTS--Continued

NORTH STAR ACADEMY

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Financial Statement Amounts

Cash and Cash Equivalents: The Academy has defined cash and cash equivalents to include cash on hand, demand deposits, and time deposits with an initial maturity of three months or less.

Investments: The Academy holds investments, where cost equals market value, in the Michigan Liquid Asset Fund investment pool.

Capital Assets: Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets, if any, are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives.

Computers	5 years
Furniture and equipment	5-20 years
Leasehold improvements	5-30 years

General capital assets are those that result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the Government-Wide Statement of Net Assets, but are reported in the Fund Financial Statements as capital outlay expenditures.

Accrued Liabilities and Long-Term Obligations: Payables and accrued liabilities that will be paid from governmental funds are reported on governmental fund financial statements regardless of whether they will be liquidated with current financial resources. The non-current portion of compensated absences, that will be paid from governmental funds are reported as a liability in fund financial statements only to the extent that they will be paid with current, expendable, available financial resources (generally, within sixty days of year-end). Other non-current liabilities that will be paid from governmental funds are not recognized as a liability in fund financial statements until due.

Deferred Revenue: The Academy reports deferred revenue when revenue does not meet both the "measurable" and "available" criteria for recognition in the current period, or when resources are received by the Academy before it has a legal claim to them, such as when grant money is received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Academy has legal claim to the resources, the liability for deferred revenue is removed and revenue is recognized.

NOTES TO FINANCIAL STATEMENTS--Continued

NORTH STAR ACADEMY

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Net Assets: Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted only when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors, laws, or other government regulation.

Interfund Activity: Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided are treated as revenues and expenditures/expenses. Reimbursement occurs when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the Government-Wide Financial Statements.

Accounts Payable: Amounts due for expenses incurred but not paid as of June 30 are recorded as accounts payable on the balance sheet.

Employee Compensation and Related Liabilities: Payroll and related withholdings, which have been earned by Academy employees, but not paid as of June 30 are recorded as a liability on the Academy's balance sheet. Substantially all of the Academy's employees participate in the Michigan Public School Employees' Retirement System. The Michigan Public Schools Employees' Retirement System provides additional post-employment benefits.

Fund Balance: The unreserved fund balances represent the amount available for budgeting future operations. The reserved fund balances represent the amount that has been legally identified for specific purposes or indicates that a component of assets does not constitute "available spendable resources." The designated fund balances represent tentative plans for future use of financial resources.

State Revenue: The State of Michigan uses a foundation grant approach that provides for a specific annual amount of revenue per student based on a statewide formula. The foundation is funded from state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The Michigan Department of Education administers the allocation of state funds to school districts based on information supplied by the districts. For the year ended June 30, 2004, the foundation allowance was based on a weighted average of pupil membership counts.

The Academy also receives revenue from the State to administer certain categorical education programs. State rules require that revenue earmarked for these programs be expended for its specific purpose. Categorical funds received that are not expended by the close of the fiscal year are recorded as deferred revenue.

NOTES TO FINANCIAL STATEMENTS--Continued

NORTH STAR ACADEMY

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Budgets and the Budgetary Process: The Academy follows the budgetary process prescribed by provisions of the State of Michigan Uniform Budgeting and Accounting Act, and entails the preparation of budgetary documents within an established timetable. All funds are legally required to be budgeted and appropriated with the exception of fiduciary funds. The legal level of budgetary control has been established at the functional level with modifications made only by a resolution of the Board. At the close of each year, budget appropriations lapse.

NOTE B--CASH AND INVESTMENTS

Cash and cash equivalents and investments included in the basic financial statements as of June 30, 2004, consist of the following:

	Cash & Cash Equivalents	Investments
Cash in savings accounts	\$ 16,543	
TOTAL CASH DEPOSITS	16,543	\$ 0
Cash on hand	268	
MILAF funds		82,137
TOTAL	<u>\$ 16,811</u>	<u>\$ 82,137</u>
Government-Wide Financial Statements:		
Cash and cash equivalents	\$ 16,811	
Investments		\$ 82,137
TOTAL	<u>\$ 16,811</u>	<u>\$ 82,137</u>

NOTES TO FINANCIAL STATEMENTS--Continued

NORTH STAR ACADEMY

NOTE B--CASH AND INVESTMENTS--Continued

All accounts are registered in the name of the reporting entity and recorded at cost. Interest is recorded when earned and credited to the applicable account.

The total cash deposits held in financial institutions at June 30, 2004, is \$43,883, of which \$43,883 is insured by the Federal Deposit Insurance Corporation (FDIC) under Regulation Number 330.8. This regulation, in summary, provides that deposits of a governmental unit are insured for the lesser of the amount of the combined deposit or \$100,000 for both demand deposits and time deposits in every financial institution, that is not a branch location, that is a member of the FDIC.

The investments included on the combined balance sheet at June 30, 2004, totaling \$82,137, are not subject to categorical risk, as the amount is held in a mutual fund where cost and market value per share is one dollar.

Statutory Authority

Act 196, PA 1997, authorizes the Academy to deposit and invest in:

1. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution eligible to be a depository of funds belonging to the State of Michigan under a law or rule of this state or the United States.
3. Commercial paper rated at time of purchase within the two highest classifications established by, not less than two, standard rating services and that matures not more than 270 days after the date of purchase.
4. Repurchase agreements consisting of instruments issued by the United States or an agency or instrumentality of the United States.
5. Bankers' acceptances of United States banks.
6. Obligations of the State of Michigan or any of its political subdivisions, that at the time of purchase, are rated as investment grade by not less than one standard rating service.
7. Mutual funds registered under the Investment Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.

The Academy is in compliance with statutory authority.

NOTES TO FINANCIAL STATEMENTS--Continued

NORTH STAR ACADEMY

NOTE C--CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2004, was as follows:

	<u>Balance July 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance June 30, 2004</u>
Capital assets:					
Computers	\$ 222,899			\$ (222,899)	\$ 0
Furniture and equipment	17,410			(10,963)	6,447
Equipment - YES	2,014			(2,014)	0
Building	17,000			(17,000)	0
Leasehold improvement	2,840			(2,840)	0
TOTAL CAPITAL ASSETS	<u>262,163</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>(255,716)</u>	<u>6,447</u>
	<u>Balance July 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance June 30, 2004</u>
Accumulated depreciation:					
Furniture and equipment	6,447				6,447
Subtotal	<u>6,447</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,447</u>
NET CAPITAL ASSETS	<u>\$ 255,716</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (255,716)</u>	<u>\$ 0</u>

NOTE D--DEFERRED REVENUE

Deferred revenue consists of the following at June 30, 2004:

Excellence in Education 03-05	\$ 1,500
Excellence in Education 04-06	1,500
Hewlett Packard	<u>2,500</u>
TOTAL DEFERRED REVENUE	<u>\$ 5,500</u>

NOTES TO FINANCIAL STATEMENTS--Continued

NORTH STAR ACADEMY

NOTE E--STATE ANTICIPATION NOTE

The Academy utilized a State Anticipation Note, secured by its future State Aid payments, bearing interest at 2.50 percent, with a financial institution on August 20, 2003, with a face value of \$140,000. The total amount of principal and interest was payable on August 20, 2004.

On August 20, 2004, a new State Anticipation Note was issued after repayment of the aforementioned note. The note, secured by future State Aid payments, bearing interest rate at 2.65 percent, with a face value of \$135,000, matures on August 20, 2005.

NOTE F--TRANSFERS

Amounts transferred to and from various individual funds for the year ended June 30, 2004, are as follows:

<u>Fund</u>	<u>Transfers to Other Funds</u>	<u>Fund</u>	<u>Transfers From Other Funds</u>
General	\$ 2,691	Food Service	\$ 2,691
	<u>\$ 2,691</u>		<u>\$ 2,691</u>

NOTE G--MICHIGAN UNIFORM BUDGETING AND ACCOUNTING ACT

The Academy's budget is legally adopted by School Board resolution pursuant to the Uniform Budgeting and Accounting Act (P.A. 621 of 1978) and the budget, as presented, has been amended. Capital outlay budgets in the General Fund are not segregated from other educational expenditures for financial statement presentation. The actual General Fund capital outlay of \$0, was budgeted as part of the departmental budgets of instruction and supporting services.

NOTE H--FUND BALANCE

The Academy's financial statements include \$125,056 of fund balance in the General Fund. Of this amount, \$82,000 is reserved for the purchase of land for a new educational building. The remaining \$43,056 is unreserved fund balance available for future year operations.

NOTES TO FINANCIAL STATEMENTS--Continued

NORTH STAR ACADEMY

NOTE I--EMPLOYEE RETIREMENT SYSTEM-DEFINED BENEFIT PLAN

The Academy contributes to the Michigan Public School Employees' Retirement System (MPERS), a cost-sharing multiple-employer defined benefit pension plan administered by the Michigan Department of Management and Budget, Office of Retirement Systems. MPERS provides retirement, survivor, and disability benefits to public school employees. Eligibility and benefit provisions are governed under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. MPERS issues a publicly available financial report that includes financial statements and required supplementary information. The annual report may be obtained by writing to the Department of Management and Budget, Office of Retirement Systems, P.O. Box 30673, Lansing, Michigan 48909-8103, or by calling (517) 322-5103.

The Academy is required by state statute to contribute 12.99 percent of covered payroll from July 1, 2003 to June 30, 2004. Contributions to MPERS are determined on an actuarial basis using the entry age normal actuarial cost method. Contribution requirements of plan members including the Academy are established and may be amended only by state statute. The Academy's contributions to MPERS for the years ending June 30, 2004, 2003, and 2002 were \$35,471; \$35,916; and \$33,319, respectively. There were no required contributions payable at June 30, 2004, 2003, or 2002.

Mandatory member contributions were phased out between 1974 and 1977, with the plan remaining noncontributory until January 1, 1987, when the Member Investment Plan (MIP) was enacted. MIP members enrolled prior to January 1, 1990, contribute at a permanently fixed rate of 3.9 percent of gross wages.

The MIP contribution rate was 4.0 percent from January 1, 1987, the effective date of the MIP, until January 1, 1990, when it was reduced to 3.9 percent. Members first hired January 1, 1990, or later and returning members who did not work between January 1, 1987 through December 31, 1989, contribute at the following graduated permanently fixed contribution rate: 3 percent of the first \$5,000; 3.6 percent of \$5,001 through \$15,000; 4.3 percent of all wages over \$15,000. Basic Plan members make no contributions. Contributions collected and remitted by the Academy on behalf of MIP members for the year ending June 30, 2004, 2003, and 2002 were \$10,383; \$10,884; and \$10,221, respectively, equal to the required contributions for each year.

Other Post-Employment Benefits

In addition to the pension benefits, MPERS provides comprehensive group medical, hearing, dental, and vision coverage for retirees and beneficiaries. A significant portion of the premium is paid by MPERS with the balance deducted from the monthly pension of the retiree. The portion provided by MPERS is factored into the pension contribution rate.

NOTES TO FINANCIAL STATEMENTS--Continued

NORTH STAR ACADEMY

NOTE J--OPERATING LEASES

The Academy was obligated under certain building leases accounted for as operating leases during the year ended June 30, 2004. Operating leases do not give rise to property rights or obligations and, therefore, the lease agreements are not reflected as long-term obligations. The Academy's sublease of a portion of one of their buildings renews annually for \$300.

Total rental expense for the year ended June 30, 2004, is \$40,339. The Academy has made the decision to vacate this building at the end of the 2004, and is currently on a month-to-month lease agreement.

NOTE K--RISK MANAGEMENT

The Academy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Academy purchases commercial insurance for its liability and excess liability coverage. The Academy's liability insurance coverage is limited to \$1,000,000 per occurrence with a maximum of \$3,000,000 for all claims. The Academy also maintains excess liability coverage of \$1,000,000 per occurrence with a maximum aggregate of \$1,000,000.

Management is unaware of any pending or threatened claims that would not be covered by their policy that are material to the financial statements.

NOTE L--SUBSEQUENT EVENTS

The Academy is in the process of negotiating a capital lease with an outside party for the acquisition of land and construction of an instructional and administration building. No amounts have been included in the financial statements as the lease had not been finalized as of the date of the audit report.

NOTE M--RESTATEMENT

The fund balance in the general fund at June 30, 2003 has been restated to correct an error. The June 30, 2003 financial statements reflected an incorrect amount of capital outlay expenditures. The effect of this error correction increases beginning fund balance in the general fund from \$20,645 to \$102,645.

REQUIRED SUPPLEMENTARY INFORMATION

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL--GENERAL FUND

NORTH STAR ACADEMY

Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Local sources	\$ 2,000	\$ 35,512	\$ 24,648	\$ (10,864)
State sources	439,830	464,930	464,009	(921)
Federal sources	56,572	57,141	54,645	(2,496)
Other sources	21,000	20,961	20,961	0
TOTAL REVENUES	519,402	578,544	564,263	(14,281)
EXPENDITURES				
Current:				
Instruction	214,365	236,668	232,042	4,626
Supporting services	275,097	321,915	298,839	23,076
Community service direction		1,753	1,753	0
Facilities acquisition and other transactions		4,929	6,527	(1,598)
TOTAL EXPENDITURES	489,462	565,265	539,161	26,104
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	29,940	13,279	25,102	11,823
OTHER FINANCING SOURCES (USES)				
Transfer to other funds (net)	(4,200)	(2,501)	(2,691)	(190)
TOTAL OTHER FINANCING SOURCES (USES)	(4,200)	(2,501)	(2,691)	(190)
NET CHANGE IN FUND BALANCE	25,740	10,778	22,411	11,633
Fund balance at beginning of year (as restated)	20,645	20,645	102,645	82,000
FUND BALANCE AT END OF YEAR	\$ 46,385	\$ 31,423	\$ 125,056	\$ 93,633

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL--FOOD SERVICE FUND

NORTH STAR ACADEMY

Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Local sources	\$ 150	\$ 203	\$ 203
State sources		328	328
Federal sources	8,250	7,337	7,452
			115
TOTAL REVENUES	8,400	7,868	7,983
			115
EXPENDITURES			
Food service	8,400	10,369	10,674
			305
TOTAL EXPENDITURES	8,400	10,369	10,674
			305
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	0	(2,501)	(2,691)
			(190)
OTHER FINANCING SOURCES (USES)			
Transfer to other funds (net)		2,501	2,691
			190
TOTAL OTHER FINANCING SOURCES (USES)	0	2,501	2,691
			190
NET CHANGE IN FUND BALANCE	0	0	0
Fund balance at beginning of year	0	0	0
			0
FUND BALANCE AT END OF YEAR	\$ 0	\$ 0	\$ 0
			\$ 0



MAKELA, TOUTANT, HILL & NARDI, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

201 West Bluff Street
Marquette, Michigan 49855
Members
American Institute of CPAs
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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Education
North Star Academy
Ishpeming, Michigan

We have audited the financial statements of North Star Academy as of and for the year ended June 30, 2004, and have issued our report thereon dated September 19, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether North Star Academy's financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered North Star Academy's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition, in which the design or operation of one or more of the internal control components does not reduce, to a relatively low level, the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.



-29-

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Board of Education
North Star Academy

This report is intended solely for the information of the Board of Education, management, and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than those specified parties.

Makela, Tartant, Hill & Naudi, P.C.

September 19, 2004